

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6983**

**BILL NUMBER:** HB 1530

**NOTE PREPARED:** Jan 10, 2013

**BILL AMENDED:**

**SUBJECT:** Exemption of personal property.

**FIRST AUTHOR:** Rep. Morris

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that, beginning with the March 1, 2014, assessment date, a taxpayer is entitled to an exemption for the taxpayer's new personal property located in a county, unless the county council adopts an ordinance specifying that the exemption does not apply to that particular county. The bill limits the exemption to the first \$100,000 of a taxpayer's new personal property located in the county.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Summary:* If the exemption applies in all counties, about \$1 B in AV could be exempted for taxes payable in CY 2015. Tax shifts to other taxpayers and revenue losses due to the circuit breaker caps could total \$24 M. Over time, after the exemption is fully utilized, the total exemption could grow to as high as about \$7.7 B. The tax shift and circuit breaker impact at that time could total up to \$175 M. Under the bill, counties could elect to not allow the exemption in the county. So, the actual fiscal impact would be subject to local decision.

*Background:* Personal property net assessed value for taxes payable in 2012 totaled about \$40.7 B, including utilities. Net taxes were \$959 M. According to data from Pay 2012 business personal property tax returns, the

1st \$100,000 of the net AV on newly acquired property on each return totaled about \$1.07 B in AV. This amount is 35% of the value of all new acquisitions for the year. If the exemption under this bill is effective in all counties, nearly \$1.07 B in AV would be exempt in the first year. This amount is 35% of the value of all new acquisitions for the year.

The total amount of exemptions is likely to grow over time as smaller taxpayers continue to acquire new assets. Some taxpayers will reach the limit immediately, some will reach the limit after a few years, and others will never reach the exemption limit.

The total amount of the exemptions when fully utilized is not known, but an estimate can be made for the highest possible total exemption under the bill. The 1st \$100,000 of net AV for personal property, including utilities, gathered from each 2012 tax bill totals \$7.7 B. If the number of taxpayers and the level of assessments are similar in several years, exemptions could reach \$7.7 B. In 2012, The \$7.7 B in AV was worth amount \$175 M in net property tax in 2012.

These estimates are based on tax returns and not taxpayers. Under the bill, each taxpayer would be limited to \$100,000 in exemptions within each county. This analysis may overstate the impact in cases where a taxpayer files multiple returns in a county that total more than \$100,000 in net AV.

The table below shows for each county:

- 1) The 2012 true tax value of newly acquired assets from Pay 2012 tax returns and the amount of the value attributable to the 1st \$100,000 on each return. This is the estimate of the exemption in the first year.
- 2) The total net assessed value from 2012 property tax bills and the amount of the value attributable to the 1st \$100,000 on each bill/return. This is the estimate of the maximum exemption some time in the future.

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** County auditors; Local civil taxing units and school corporations.

**Information Sources:** LSA personal property tax return database and tax bill database.

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.

**Business Personal Property**  
**2012 New Asset True Tax Value In Depreciation Schedule (Before Adjustments, Abatements, and Exemptions)**  
**and 2012 Tax Bill Information**

County	2012 True Tax Value (No Utilities)			2012 Tax Bill Data (Includes Utilities)			
	New Assets		% Up to \$100 K	Net Tax	Net AV	Net AV up % Up to	
	New Assets	Up to \$100 K				to \$100 K	\$100 K
01 Adams	16,650,080	10,167,999	61%	4,394,838	179,786,440	56,679,990	31.5%
02 Allen	142,332,558	71,307,316	50%	47,670,717	1,805,691,274	397,922,004	22.0%
03 Bartholomew	54,318,189	19,493,810	36%	16,266,323	664,897,440	104,158,670	15.7%
04 Benton	9,889,177	6,256,017	63%	1,758,992	140,862,484	32,368,088	23.0%
05 Blackford	42,933	42,933	100%	2,363,938	94,867,290	17,403,900	18.3%
06 Boone	333,400	152,031	46%	5,149,571	256,631,623	81,643,553	31.8%
07 Brown	12,427	12,427	100%	331,884	33,565,790	15,554,760	46.3%
08 Carroll	11,375,209	6,175,349	54%	1,777,257	113,429,013	40,481,543	35.7%
09 Cass	13,634,824	9,456,076	69%	4,503,250	191,939,520	52,994,622	27.6%
10 Clark	32,956,370	19,180,938	58%	12,559,975	520,671,524	119,824,562	23.0%
11 Clay	7,158,066	5,741,936	80%	1,785,116	95,146,790	36,252,160	38.1%
12 Clinton	25,568,645	10,942,225	43%	4,252,567	224,110,631	55,892,334	24.9%
13 Crawford	3,060,542	1,024,552	33%	1,290,138	49,858,660	13,091,060	26.3%
14 Daviess	20,716,014	10,904,976	53%	3,982,142	195,372,230	59,451,960	30.4%
15 Dearborn	12,342,598	6,282,148	51%	6,717,611	331,806,212	52,928,920	16.0%
16 Decatur	17,070,543	7,934,954	46%	4,371,982	239,365,585	54,805,920	22.9%
17 DeKalb	26,417,997	11,597,297	44%	10,146,521	569,550,727	71,809,017	12.6%
18 Delaware	37,648,141	20,658,844	55%	12,347,229	455,796,370	126,129,975	27.7%
19 Dubois	22,351,470	14,287,495	64%	5,823,028	303,114,230	87,373,040	28.8%
20 Elkhart	896,633	462,564	52%	27,379,003	1,047,109,514	260,460,784	24.9%
21 Fayette	6,262,277	5,210,087	83%	2,138,251	75,695,810	30,435,690	40.2%
22 Floyd	21,651,101	9,988,944	46%	7,626,711	331,035,554	69,395,420	21.0%
23 Fountain	6,531,564	4,988,029	76%	2,000,991	99,178,010	31,298,050	31.6%
24 Franklin	4,006,573	3,501,363	87%	1,398,565	99,507,810	38,117,010	38.3%
25 Fulton	9,773,475	7,636,963	78%	2,146,387	132,404,780	43,786,490	33.1%
26 Gibson	28,596,631	13,110,784	46%	16,559,771	861,346,783	65,648,158	7.6%
27 Grant	32,637,907	13,561,127	42%	9,833,591	363,614,608	82,609,899	22.7%
28 Greene	6,457,997	4,547,017	70%	2,318,818	122,006,160	42,454,660	34.8%
29 Hamilton	105,301,944	59,942,610	57%	25,302,958	1,195,292,519	294,531,829	24.6%
30 Hancock	31,482,585	12,400,752	39%	7,468,378	283,757,540	67,539,610	23.8%
31 Harrison	10,920,160	6,441,598	59%	2,045,624	164,496,080	45,350,590	27.6%
32 Hendricks	54,394,117	26,142,928	48%	17,068,060	666,958,411	155,160,493	23.3%
33 Henry	20,682,953	7,956,624	38%	3,924,585	179,796,320	55,649,170	31.0%
34 Howard	31,555,184	14,556,974	46%	31,159,805	1,084,458,401	89,241,701	8.2%
35 Huntington	14,866,263	10,537,426	71%	4,777,576	207,359,758	58,798,000	28.4%
36 Jackson	27,009,405	12,057,178	45%	6,954,617	351,754,015	69,288,576	19.7%
37 Jasper	14,810,311	10,702,336	72%	5,988,475	625,667,310	60,328,900	9.6%
38 Jay	11,385,061	6,496,775	57%	4,417,541	167,884,320	40,956,640	24.4%
39 Jefferson	14,424,580	5,109,593	35%	5,845,272	261,633,020	36,117,960	13.8%
40 Jennings	7,174,357	4,344,957	61%	3,074,822	121,666,864	32,622,074	26.8%
41 Johnson	35,956,166	24,214,145	67%	13,115,350	538,175,023	136,850,209	25.4%
42 Knox	34,073,338	12,852,127	38%	7,054,073	478,466,843	69,082,450	14.4%
43 Kosciusko	50,871,349	22,084,234	43%	9,217,091	563,285,218	118,960,558	21.1%
44 LaGrange	10,637,840	8,468,200	80%	2,617,997	159,083,164	66,148,849	41.6%
45 Lake	349,020,610	64,894,140	19%	108,057,903	3,061,361,009	409,424,981	13.4%
46 LaPorte (est)	Not Avail.			13,067,000	676,792,216	163,543,009	24.2%

2012 True Tax Value (No Utilities)				2012 Tax Bill Data (Includes Utilities)			
County	New Assets	New Assets	% Up to	Net Tax	Net AV	Net AV up	% Up to
		Up to \$100 K	\$100 K			to \$100 K	\$100 K
47 Lawrence	18,595,201	6,678,230	36%	4,496,842	191,045,850	51,351,520	26.9%
48 Madison	79,278,732	19,553,034	25%	12,756,680	459,313,035	122,586,539	26.7%
49 Marion	4,849,268	1,848,554	38%	157,537,189	5,508,785,377	856,167,090	15.5%
50 Marshall	19,874,401	13,110,331	66%	5,646,391	277,390,355	79,660,990	28.7%
51 Martin	2,398,103	2,042,933	85%	1,104,876	67,232,707	19,132,314	28.5%
52 Miami	9,278,078	7,857,328	85%	2,222,254	105,364,124	50,057,625	47.5%
53 Monroe	72,275,752	20,295,588	28%	9,064,747	534,574,424	131,339,725	24.6%
54 Montgomery	31,822,985	13,305,735	42%	8,979,178	453,859,631	68,596,098	15.1%
55 Morgan	11,800,740	8,814,956	75%	2,793,728	263,136,200	66,933,506	25.4%
56 Newton	11,600,169	6,299,496	54%	2,157,210	105,469,245	29,964,390	28.4%
57 Noble	33,868,934	11,969,960	35%	7,701,650	334,007,388	76,440,109	22.9%
58 Ohio	828,589	712,827	86%	238,617	22,922,950	5,973,300	26.1%
59 Orange	7,740,415	5,042,428	65%	1,814,134	108,405,160	30,144,470	27.8%
60 Owen	3,498,293	2,419,742	69%	1,512,719	70,086,691	27,181,261	38.8%
61 Parke	4,594,476	4,073,526	89%	1,037,954	86,454,480	28,947,910	33.5%
62 Perry	4,877,746	2,780,016	57%	2,415,321	109,704,950	22,498,060	20.5%
63 Pike	7,838,921	2,903,921	37%	5,214,326	278,110,820	20,906,850	7.5%
64 Porter	63,751,358	24,125,921	38%	24,062,198	1,167,953,488	154,411,810	13.2%
65 Posey	118,636,790	11,126,916	9%	11,283,108	785,855,533	48,336,540	6.2%
66 Pulaski	8,116,438	6,807,479	84%	1,117,933	90,735,985	37,062,375	40.8%
67 Putnam	38,729,627	6,038,227	16%	3,986,591	249,050,560	46,909,750	18.8%
68 Randolph	17,943,180	9,700,920	54%	3,285,896	144,729,050	46,727,590	32.3%
69 Ripley	10,377,697	5,954,420	57%	2,292,268	147,109,490	48,315,187	32.8%
70 Rush	8,394,471	6,076,291	72%	2,070,083	99,976,357	42,461,399	42.5%
71 St. Joseph	404,633,176	48,705,261	12%	38,356,815	1,212,414,171	259,434,579	21.4%
72 Scott	16,073,585	4,055,468	25%	2,746,731	107,283,629	23,833,759	22.2%
73 Shelby	26,376,351	13,165,230	50%	8,716,418	424,064,508	70,298,537	16.6%
74 Spencer	10,436,079	6,570,859	63%	11,524,942	788,882,790	41,198,110	5.2%
75 Starke	5,384,651	3,752,405	70%	1,508,084	76,954,273	27,180,630	35.3%
76 Steuben	13,661,136	9,121,821	67%	3,017,113	206,528,875	60,440,355	29.3%
77 Sullivan	31,606,479	4,529,272	14%	6,274,616	342,779,280	40,196,730	11.7%
78 Switzerland	2,653,225	592,162	22%	517,771	46,376,940	10,541,990	22.7%
79 Tippecanoe	64,960,829	29,616,172	46%	27,577,716	1,160,191,515	164,273,871	14.2%
80 Tipton	11,252,987	7,740,887	69%	2,086,873	109,188,970	35,449,050	32.5%
81 Union	1,669,320	1,457,250	87%	516,627	23,579,310	14,378,320	61.0%
82 Vanderburgh	99,674,490	40,185,937	40%	26,590,548	1,025,471,933	210,152,557	20.5%
83 Vermillion	6,811,276	3,722,626	55%	5,909,175	334,471,947	22,617,073	6.8%
84 Vigo	66,796,231	18,726,182	28%	22,370,722	885,104,754	109,872,642	12.4%
85 Wabash	20,494,088	11,057,798	54%	3,639,577	207,865,220	56,121,960	27.0%
86 Warren	9,129,028	4,995,388	55%	722,587	50,328,100	21,749,710	43.2%
87 Warrick	194,155,167	10,236,852	5%	8,392,372	534,175,018	58,752,495	11.0%
88 Washington	5,464,090	3,564,300	65%	2,281,727	98,860,274	34,266,024	34.7%
89 Wayne	22,128,406	13,297,947	60%	10,210,528	361,183,048	86,592,803	24.0%
90 Wells	16,181,013	10,552,324	65%	3,053,037	195,347,829	54,407,019	27.9%
91 White	23,846,857	10,980,022	46%	3,101,880	212,551,020	59,729,270	28.1%
92 Whitley	37,834,278	8,214,828	22%	3,553,719	225,626,993	53,614,040	23.8%
	<b>3,077,452,671</b>	<b>1,068,208,568</b>	<b>35%</b>	<b>957,513,762</b>	<b>40,676,755,140</b>	<b>7,737,775,770</b>	<b>19%</b>